



ROBERT B. STEWART
PRESIDENT

BY FACSIMILE

May 27, 1997

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Mr. David S. Guzy
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Dear Sir:

Please accept this letter as the response by the National Ocean Industries Association (NOIA) to your Notice of Proposed Rulemaking that appeared in the Federal Register dated January 24, 1997 at page 3742. The proposed rulemaking deals with issues pertinent to establishing the value of oil on which federal royalties are paid.

NOIA is a small trade association that represents roughly 270 corporate members that are engaged in all aspects of exploring for and developing the hydrocarbon resources of the nation's Outer Continental Shelf. Our members include oil and natural gas producers (major as well as independent), oil field service companies, contractors, equipment manufacturers and others who rely in whole or in part on the federal OCS leasing and development program for their business livelihood.

We have reviewed the comments prepared by the American Petroleum Institute, the Domestic Petroleum Council and the Independent Petroleum Association of America. While there may be some differences in emphasis among these comments, we nevertheless view them, taken together, as a consistent, substantive statement of the petroleum industry's views on the proposed rulemaking. Accordingly, NOIA endorses the views expressed in those comments and we urge MMS to give them the most serious form of consideration.

We appreciate your attention to our views.

Sincerely,

Robert B. Stewart